

**Date of Board Meeting:** March 24, 2026

**Subject:** Out-of-State Competitive Scholarship Waiver (TEC 54.213)

**Recommendation:** Approve the implementation of the Out-of-State Competitive Scholarship Waiver in accordance with TEC 54.213

**Background and Rationale:**

Texas Education Code Section 54.213 allows an institution of higher education to charge an out-of-state student in-state tuition and fees if they hold a competitive scholarship of at least \$1,000 for the academic year for which the student is enrolled, regardless of the length for time the student has resided in Texas. The student must compete with other students, including Texas residents, for the scholarship and the scholarship must be awarded by a scholarship committee officially recognized by the administration and approved by the Texas Higher Education Coordinating. The total number of students at an institution paying resident tuition under this section for a particular semester may not exceed five percent of the total number of students registered at the institution for the same semester of the preceding academic year.

Following review by the Department of Athletics and the Student Services Council, it is recommended that WCJC become a participating institution under Texas Education Code Section 54.213, thereby allowing out-of-state students to receive in-state tuition rates when receiving a \$1,000 competitive scholarship. Participation in the nonresident tuition waiver program will provide additional incentives for out-of-state students who are recruited for both athletic and academic programs. By charging in-state tuition rates, institutional scholarship dollars will be extended further based on the lower rates being applied.


In-state tuition totals \$480 for a 15-hour course load compared to \$1,260 for nonresident students. Assuming the scholarship program is applied to 50 students, the maximum revenue loss to the College would be \$39,000 on an annual basis.


**Budgetary Implications:** Estimated maximum annual revenue loss of \$39,000

**Strategic Priority Alignment:**  Student Success  Community Impact  
 Resource Optimization  Institutional Excellence

**Resource Personnel:** Dr. David Byrd; Vice President of Access, Completion, & Transfer

**Approval:**

 3/16/26  
\_\_\_\_\_  
Cabinet-Level Member

 03/16/26  
\_\_\_\_\_  
President

# Competitive Scholarship Waiver Fact Sheet

Fact Sheets highlight specific requirements in the Texas Education Code (TEC) and Texas Administrative Code (TAC) to assist institutions with the administration of programs.

## Purpose

To allow a nonresident student who receives a qualifying competitive scholarship to enroll and pay the Texas resident tuition and fee rate at a participating public institution in the state of Texas.

## Eligible Student

A nonresident student who:

- Receives a competitive scholarship from a Texas public institution of higher education for the academic year or term of enrollment
- Confirms Selective Service registration or exemption from the requirement

## Competitive Scholarship Requirements

To qualify, a scholarship **must** meet the following requirements:

- Be at least \$1,000 (multiple scholarships cannot be combined to meet this minimum; the individual scholarship must be \$1,000 or higher)
- Be awarded by an authorized scholarship committee
- Be any scholarship, including athletic, with publicly available criteria published in advance of application requirements and deadlines
- Institution must control the selection and funding process
- Permit awards to both resident and nonresident students

## Eligible Courses

Any course for which an institution receives formula funding is eligible ([TEC, Title 3, Section 54.2002](#)), even if the course is not included in the student's program of study. To determine which courses are formula funded, contact the Registrar or Data Reporting Official.

## Eligible Institution

This waiver program is limited to Texas public institutions that *choose* to participate.

## Award Amount

An eligible student will pay the Texas resident tuition and fee rate during the semester or term covered by the competitive scholarship, not to exceed a 12-month period.

There is no automatic renewal or continuation of the waiver. The student can receive the waiver in future semesters if another competitive scholarship is granted.

The number of these waivers **must not** exceed five percent of the total number of students registered at the institution for the same semester of the preceding academic year.

## Understanding the FACTS

- Public institutions are *not required* to participate.
- Students are not required to demonstrate financial need to qualify for this waiver program.
- Students can receive the waiver while attempting any program of study offered at an eligible institution (i.e., undergraduate, graduate, or doctoral degree).
- Students can keep their waiver even if they lose the competitive scholarship for the applicable semester but cannot receive it starting the following semester.
- Students do not need to meet the institution's grade point average (GPA) to receive this waiver.
- Students are not impacted by the excess hours' limitation found under [TEC, Title 3, Section 54.2001\(b\)](#).

## Scholarship Committee

An authorized scholarship committee must be officially recognized in writing by the institution's administration to grant scholarships. The scholarship cannot be awarded by an external organization that controls the selection and funding process, such as a fraternity or a booster club.

## Understanding the PROCESS

### Application Process

1. Student applies for the competitive scholarship through the institution.
2. Designated committee chooses the recipients.
3. Student is awarded the competitive scholarship.
4. Institution determines how the waiver is applied to the student's account.

## Resources

[TEC, Title 3, Section 54.213](#)

[TAC, Title 19, Chapter 21, Subchapter SS, Section 21.2263](#)

[TEC, Title 3, Section 54.2001\(g\)](#)

[TEC, Title 3, Section 51.9095](#)